I/R Code 47.40
January 1988

SUPPLEMENT TO MONTHLY SURVEY OF LIFE INSURANCE SALES IN CANADA

Notes on the January Survey

LIMRA is pleased to announce that two companies have joined the ranks of the contributors in this survey—Maritime Life and La Sauvegarde. Some of the differences between the 1987 and 1988 monthly surveys:

- In response to recommendations from survey participants, we have added growth rates and policy characteristics for "all other permanent" (page 2), the percent change in premiums (page 3), and ordinary sales data by size group (page 4). The companies are grouped in the contributors list on the last page.
- The 37 survey contributors now represent 81 percent of the 1986 Canadian ordinary volume sold, up three percentage points from the 1987 survey. Additional survey notes are found on page four.
- To facilitiate 1988/1987 comparisons, the following tables show 1987 production for *all* 1988 contributors, incorporating company corrections.

1987 Canadian Ordinary Sales for 37 companies

	Annualized premium (000)	**Face amount (000)**	**Number of policies**
January	$ 31,449	$ 4,486,232	58,498
February	39,960	5,689,591	79,797
March	44,337	6,404,266	84,901
April	41,679	6,130,133	81,561
May	41,670	6,167,808	81,751
June	48,886	7,174,634	93,737
July	41,933	6,215,189	77,194
August	35,180	5,260,110	66,320
September	44,201	6,580,337	87,407
October	46,628	6,701,422	87,971
November	52,681	7,557,744	95,595
December	51,843	7,356,626	86,226
Year total	$520,447	$75,724,092	980,958

continued

1987 Canadian Group Sales

	Annualized premium (000) (13 companies)	**Face amount (000) (16 companies)**
January	$ 9,341	$ 2,371,568
February	5,489	1,653,616
March	9,368	3,891,276
April	5,269	1,680,269
May	4,192	1,447,353
June	7,861	2,312,492
July	6,231	2,409,855
August	5,310	1,965,732
September	4,557	1,749,371
October	3,039	1,047,021
November	5,596	1,886,006
December	9,733	5,883,886
Year total	$75,986	$28,298,445

1987 Monthly Product Allocations
(Based on 21 Product Market Share Contributors)

	Universal life	Current-assumption whole life	Term	Other permanent
January	14%	15%	24%	47%
February	15	15	24	46
March	15	17	23	45
April	16	15	24	45
May	13	16	24	47
June	15	14	25	46
July	14	13	25	48
August	16	14	25	45
September	16	16	24	44
October	17	13	22	48
November	17	13	25	45
December	19	10	25	46
Year total	16%	14%	24%	46%

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January 1988

QUARTERLY SURVEY OF INDIVIDUAL ANNUITIES IN CANADA

Fourth Quarter Sales

Accumulation Annuities

	RRSPs (Registered Retirement Savings Plans)			Nonregistered		
	1986	1987	87/86	1986	1987	87/86
Number of new contracts (17 cos.)						
1st quarter	70,096	64,801	92%	5,177	6,074	117%
2nd quarter	24,463	22,816	93	3,778	5,659	150
3rd quarter	12,922	15,731	122	3,098	5,219	168
4th quarter	19,352	23,043	119	5,035	8,617	171
Year to date	126,833	126,391	100%	17,088	25,569	150%
Premiums* (18 cos.)						
1st quarter	$ 552,686,272	$ 653,501,614	118%	$ 82,196,751	$130,729,757	159%
2nd quarter	264,337,087	323,210,633	122	53,509,957	112,001,759	209
3rd quarter	194,779,371	255,770,541	131	61,271,121	104,470,210	171
4th quarter	264,069,408	319,096,305	121	97,521,890	158,022,576	162
Year to date	$1,275,872,138	$1,551,579,093	122%	$294,499,719	$505,224,302	172%
Number of payments* (10 cos.)						
1st quarter	223,443	230,813	103%	30,427	32,345	106%
2nd quarter	145,363	149,180	103	29,471	34,909	118
3rd quarter	141,536	143,862	102	29,853	33,172	111
4th quarter	152,131	155,685	102	31,802	38,251	120
Year to date	662,473	679,540	103%	121,553	138,677	114%

*New and existing contracts

Payout Annuities – Life

	RRSP Income			Nonregistered		
	1986	1987	87/86	1986	1987	87/86
New contracts (17 cos.)						
1st quarter	5,970	5,192	87%	892	833	93%
2nd quarter	6,639	3,646	55	927	849	92
3rd quarter	3,472	2,843	82	961	1,013	105
4th quarter	3,820	3,918	103	1,284	2,109	164
Year to date	19,901	15,599	78%	4,064	4,804	118%
Premiums (19 cos.)						
1st quarter	$174,609,522	$156,437,130	90%	$ 28,453,373	$ 50,846,945	179%
2nd quarter	222,599,094	118,355,258	53	29,975,052	44,376,608	148
3rd quarter	127,053,470	98,785,643	78	43,192,830	48,754,766	113
4th quarter	124,784,561	153,173,903	123	45,424,204	101,070,892	223
Year to date	$649,046,647	$526,751,934	81%	$147,045,459	$245,049,211	167%

	RRSP Income by Source					
	Internal transfers			External money		
	1986	1987	87/86	1986	1987	87/86
Premiums (10 cos.)						
1st quarter	$ 18,751,989	$ 19,465,570	104%	$ 55,963,834	$ 40,553,130	72%
2nd quarter	17,031,781	25,923,774	152	113,634,117	35,667,159	31
3rd quarter	14,438,612	16,894,273	117	52,709,625	32,802,808	62
4th quarter	13,658,381	26,243,560	192	51,165,833	57,046,979	111
Year to date	$ 63,880,763	$ 88,527,177	139%	$273,473,409	$166,070,076	61%

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Payout Annuities – Certain

	RRSP Income			Nonregistered		
	1986	1987	87/86	1986	1987	87/86
New contracts (16 cos.)						
1st quarter	213	165	77%	231	311	135%
2nd quarter	292	112	38	245	359	147
3rd quarter	121	95	79	250	496	198
4th quarter	242	168	69	317	1,281*	404
Year to date	868	540	62%	1,043	2,447	235%
Premiums (18 cos.)						
1st quarter	$ 7,135,622	$ 5,442,542	76%	$10,765,611	$ 22,792,107	212%
2nd quarter	10,632,331	3,641,294	34	10,926,247	18,229,252	167
3rd quarter	4,631,645	3,668,557	79	14,933,640	24,285,180	163
4th quarter	9,917,799	6,080,124	61	16,937,779	69,158,104*	408
Year to date	$32,317,397	$18,832,517	58%	$53,563,277	$134,464,643	251%

	RRSP Income by Source					
	Internal transfers			External money		
	1986	1987	87/86	1986	1987	87/86
Premiums (10 cos.)						
1st quarter	$ 542,116	$ 639,958	118%	$ 4,219,821	$2,587,771	61%
2nd quarter	680,099	930,285	137	7,961,139	1,481,305	19
3rd quarter	189,331	898,461	475	2,592,569	1,463,928	56
4th quarter	576,099	1,968,395	342	5,049,250	2,995,387	59
Year to date	$1,987,645	$4,437,099	223%	$19,822,779	$8,528,391	43%

*Includes one company's sales of 493 contracts for over $29.2 million in premiums.

Registered Retirement Income Funds

	New contracts (10 companies)			Premiums (11 companies)		
	1986	1987	87/86	1986	1987	87/86
1st quarter	129	751	582%	$ 5,871,063	$ 45,769,101	780%
2nd quarter	90	668	742	5,368,796	35,082,174	653
3rd quarter	112	877	783	6,237,044	38,904,491	624
4th quarter	440	1,874	426	24,305,777	100,878,792	415
Year to date	771	4,170	541%	$41,782,680	$220,634,558	528%

Contributors

Canada Life
Confederation Life
Crown Life
Great-West Life
Imperial Life of Canada
Industrielle – Alliance Vie
La Laurentienne
London Life
Manufacturers Life
Metropolitan Life
Mutual Life of Canada
National Life of Canada
New York Life
North American Life (Canada)
Prudential Life of England
Prudential of America
Standard Life (Canada)
State Farm Life
Sun Life of Canada
Transamerica Occidental Life
Zurich Life of Canada

About the Survey

This survey shows the Canadian annuity sales activity of 21 companies. Data listed for previous quarters have been revised to incorporate revisions in company data and to include previously unavailable data.

The data are separated into accumulation and payout annuities. The accumulation section shows the number of payments and premiums on new and existing contracts for RRSP and nonregistered annuities, as well as the number of new contracts. The payout section is divided into life and certain only annuities and registered retirement income funds (RRIFs). New contracts and premiums paid are shown for RRSP income and nonregistered contracts, as well as for RRIFs. The split between internal transfers and external money is shown for companies that are able to provide the source of RRSP income premiums.

Some contributors are unable to provide data for all categories; therefore, each category lists the number of contributors able to provide data.

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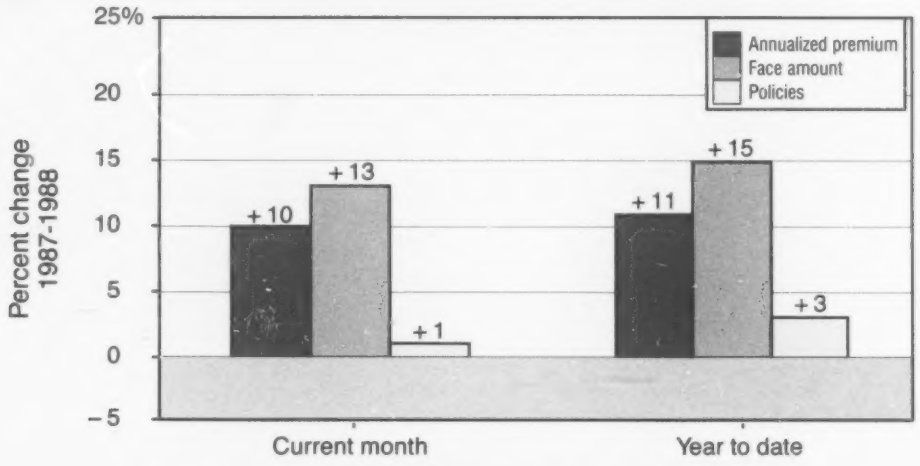
MONTHLY SURVEY OF LIFE INSURANCE SALES IN CANADA

Growth Rates for 37 Companies

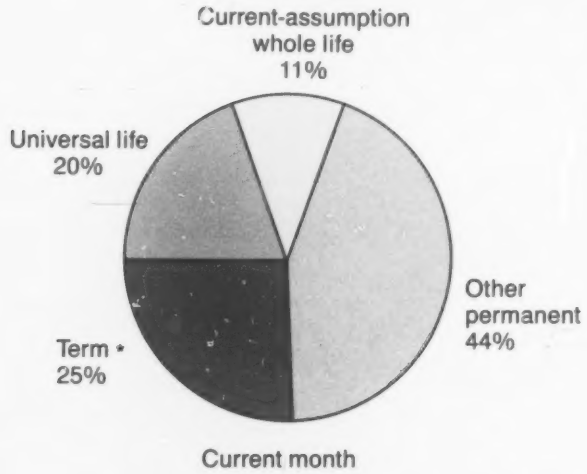
Comparisons with Last Year

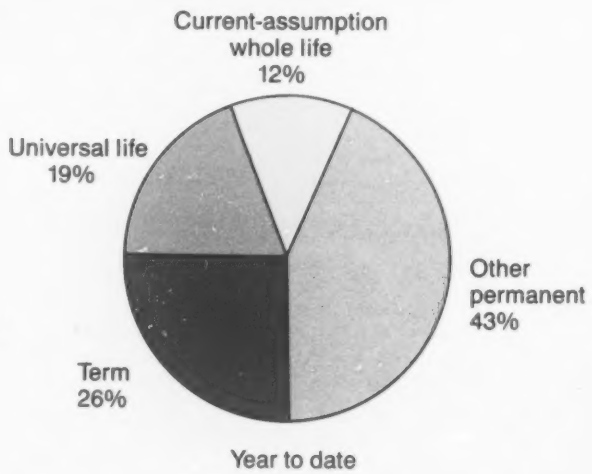


Individual Products

Annualized Premium Market Share by Product

24 Companies Representing 65 Percent of February Sales





*For the 13 companies that sell the product and supply data, "permanent term" ("term to 100") makes up 15 percent of total February 1988 sales.

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Individual Products (cont.)

Comparisons with Last Year

Ratio 1988/1987

		Annualized premiums	Face amount	Number of policies
Term (22 cos.)	Month	109%	120%	112%
	Year to date	112%	123%	114%
Universal life (19 cos.)	Month	140%	160%	137%
	Year to date	144%	163%	138%
Current-assumption whole life (10 cos.)	Month	87%	90%	99%
	Year to date	89%	85%	92%
All other permanent (20 cos.)	Month	107%	107%	94%
	Year to date	107%	107%	98%

Policy Characteristics by Product

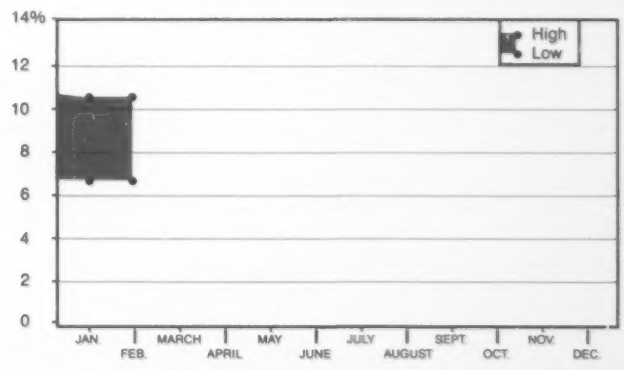
		Premium per $1,000	Average size policy	Premium per policy
Term (22 cos.)	Month	$ 3.41	$137,205	$468
	Year to date	$ 3.43	$139,620	$479
	Year-to-date ratio	91%	108%	98%
Universal life (19 cos.)	Month	$ 8.61	$ 84,717	$729
	Year to date	$ 8.87	$ 86,009	$763
	Year-to-date ratio	88%	118%	104%
Current-assumption whole life (10 cos.)	Month	$ 6.21	$ 55,401	$344
	Year to date	$ 6.84	$ 56,938	$390
	Year-to-date ratio	105%	92%	96%
All other permanent (20 cos.)	Month	$11.14	$ 50,357	$561
	Year to date	$11.12	$ 50,817	$565
	Year-to-date ratio	100%	109%	109%
Total sales (37 cos.)	Month	$ 6.83	$ 79,953	$546
	Year to date	$ 6.77	$ 81,698	$553
	Year-to-date ratio	96%	111%	107%

Universal Life

Interest Rates This Month

Median	9.0%
Range	6.5%-10.5%
Range of middle 50%	7.3%-9.3%
Number of cos. reporting rates	15
Number of plans reported	30
Number of new plans	1
Number of plans dropped	0
Number of plans showing . . .	
No change	19
Increases	0
Average increase	—
Decreases	10
Average decrease	0.3%

1988 Interest Rate Range



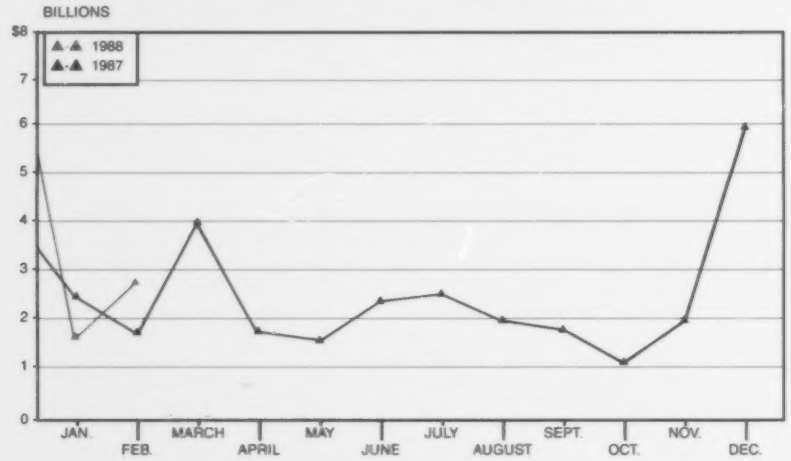
Contributors' Growth Rates

Change in Annualized Premium – Year to Date

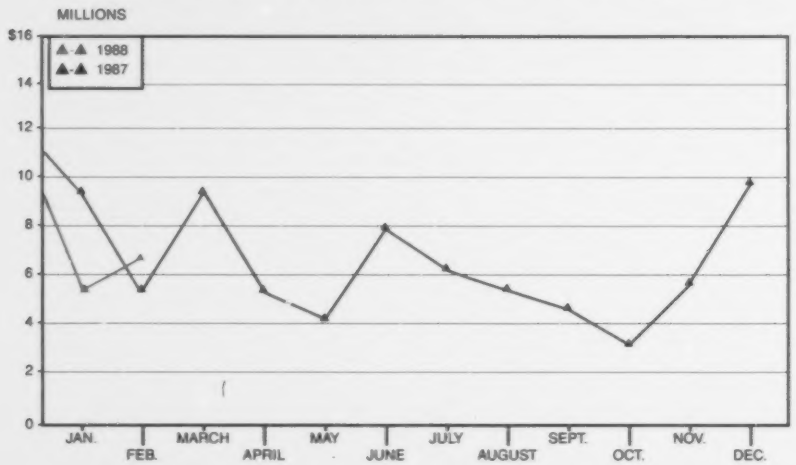
Percent change 1987–1988	Number of . . . Group I cos.	Group II cos.	Group III cos.	All cos.
21% or over	1	7	5	13
11% – 20%	1	0	1	2
1% – 10%	4	3	3	10
– 9% – 0	4	2	3	9
– 19% – – 10%	0	0	0	0
– 20% or under	0	2	1	3

Group Sales

Face Amount – 16 Companies



Annualized Premium – 13 Companies



February Sales

		Annualized premium (000)		Face amount (000)		Number of policies	
		1987	1988	1987	1988	1987	1988
Total ordinary life	Month	$39,960	$43,838	$ 5,689,591	$ 6,416,829	79,797	80,258
	Year to date	$71,409	$79,174	$10,175,823	$11,687,919	138,295	143,062
Ordinary— Group I	Month	$24,052	$25,273	$ 3,118,377	$ 3,400,076	49,250	47,777
	Year to date	$42,261	$44,180	$ 5,515,830	$ 5,966,426	84,545	82,518
Ordinary— Group II	Month	$12,472	$14,548	$ 1,958,886	$ 2,290,126	23,079	23,769
	Year to date	$22,676	$26,996	$ 3,532,165	$ 4,318,855	40,483	44,206
Ordinary— Group III	Month	$ 3,436	$ 4,017	$ 612,328	$ 726,627	7,468	8,712
	Year to date	$ 6,472	$ 7,998	$ 1,127,828	$ 1,402,638	13,267	16,338
Group life	Month	$ 5,489	$ 6,660	$ 1,653,616	$ 2,737,789	—	—
	Year to date	$14,830	$12,202	$ 4,025,184	$ 4,242,191	—	—

About the Survey

This survey gives ordinary sales results of a group of companies that report three measures of sales performance—annualized premiums, face amount (volume), and number of policies. From these data, premium per $1,000, average size policy, and premium per policy, as well as trends in those statistics, are derived. Sales results by product are also shown for a subset of the contributing companies.

The definition of new sales excludes revivals, indexed increases, dividend additions, reinsurance acquired, credit insurance (coverage of obligations not exceeding 120 months' duration), and products without insurance (such as annuities and Canadian pension bonds). The data include mass-marketed ordinary business.

The ordinary results are based on the experience of 37 companies plus six subsidiary companies operating in Canada. The contributors represent 81 percent of the 1986 Canadian ordinary volume sold and 85 percent of first-year premiums written. The business of these contributors may not represent the industry proportions of participating and nonparticipating policies and of term and permanent insurance sold; therefore, statistics (such as premium per $1,000) derived from the experience of the contributors may not represent the experience of the industry as a whole.

The survey also provides group sales volume and annualized premiums under new or amended contracts. These results are based on the experience of 16 companies operating in Canada. The contributors represent 64 percent of the 1986 Canadian volume of new or amended group contracts.

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Contributors

GROUP I

Canada Life*
Great-West Life*†
Industrial-Alliance Life*†
(includes North West Life of Canada)
London Life*
Manufacturers Life
Metropolitan Life*†
(includes Metropolitan Life of Canada)
Mutual Life of Canada*†
North American Life (Canada)
Prudential of America*†
Sun Life of Canada*†

GROUP II

Ætna Canada (Excelsior Life)†
Commercial Union Life of Canada
Confederation Life*
Co-operators Life
Crown Life†
Imperial Life of Canada
La Laurentienne†
Maritime Life (Canada)†
National Life of Canada*
New York Life*†
(includes New York Life of Canada)
Prudential of England*†
(includes Prudential Life of England)
Seaboard Life†
Transamerica Occidental Life†
(includes Transamerica Life of Canada)
Zurich Life of Canada†

GROUP III

Allstate Life of Canada†
Assumption Mutual Life
Assurance-Vie Desjardins*
COLONIA Life†
Equitable Life of Canada
Financial Life of Canada†
Knights of Columbus†
Laurier Life†
Royal Life (Canada)†
(includes Royal Life of Canada)
La Sauvegarde*†
La Solidarite
State Farm Life†
L'Union-Vie†

The groupings of companies and departments are maintained for five-year periods to allow examination of trends; currently they are based on the sum of first-year and renewal direct-written ordinary life premium income as of December 31, 1986.

*Company contributes both ordinary and group data

†Company is included in product market share chart

Companies contributing group data only: Ætna-Vie and Laurentian/Imperial

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